

## Message Text

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ACTION AF-08

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R 171500Z MAR 77

FM AMEMBASSY PRETORIA

TO SECSTATE WASHDC 7122

INFO AMCONSUL CAPE TOWN

AMCONSUL DURBAN

AMEMBASSY GABORONE

AMEMBASSY MAPUTO

AMEMBASSY MASERU

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LIMITED OFFICIAL USE SECTION 1 OF 4 PRETORIA 1293

CAPE TOWN FOR EMBASSY

E.O. 11652: N/A

TAGS: SHUM, EINV, SF, US

SUBJECT: BLACK ATTITUDES TOWARDS FOREIGN INVESTMENT

1. SUMMARY. FOREIGN INVESTMENT IS NOT AS URGENT AN ISSUE FOR SOUTH AFRICAN BLACKS AS HOUSING, INFLUX CONTROL, THE POLICE, EDUCATION AND HOMELAND POLITICS, AND IT IS A MORE COMPLEX AND ABSTRUSE ONE TO DEAL WITH. HOWEVER, AMONG MORE POLITICALLY-OREINTED BLACKS, QUESTION IS INCREASINGLY BEING LIMITED OFFICIAL USE

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WEIGHED OF WHETHER FOREIGNINVESTMENT SHOULD BE SEEN AS AN ALLY OR OBSTACLE IN PURSUING GOAL OF A MORE DEMOCRATIC AND NON-RACIAL SOCIETY.

2. SOME BLACKS, MOSTLY OLDER WAGE-EARNERS, SOME BUSINESSMEN AND LABOR OFFICIALS AND MOST HOMELAND LEADERS, REGARD FOREIGN INVESTMENT IN ANY FORM AS BOUND TO HAVE SOME BENEFICIAL

SPIN-OFF FOR BLACKS IN FORM OF JOBS AND HIGHER STATUS.  
HOWEVER, A GREATER NUMBER OF BLACKS SUPPORT FOREIGN INVESTMENT ONLY ON A QUALIFIED BASIS, TO BE EVALUATED PRIMARILY AS TO WHETHER IT WILL BRING ABOUT SPECIFIC AND IMMEDIATE CHANGE. THEY WOULD REJECT PROJECTS IN HOMELANDS AND INVESTMENTS WHICH TEND TO REINFORCE APARTHEID STRUCTURE.

3. AMONG BLACK YOUTH AND MORE MILITANT GROUPS, AS WELL AS SOME BUSINESSMEN, ANY FOREIGN INVESTMENT IS VIEWED AS PROPPING UP THE SA ECONOMY AND ITS SOCIAL SYSTEM. THEY ARGUE THAT JOBS PROVIDED ARE MARGINAL COMPARED TO NUMBERS SUFFERING FROM APARTHEID.

4. US INVESTMENT OF \$1.58 BILLION IN SA IS ONLY 16 PERCENT OF TOTAL FOREIGN INVESTMENT BUT BECAUSE OF OUR FREE-WORLD ECONOMIC LEADERSHIP, OUR INFLUENCE ON SOUTH AFRICA IS PRESUMED TO BE PREDOMINANT. MAJOR US AFFILIATES IN SA ARE SEEN BY THEIR EMPLOYEES AS ACTING BASICALLY LIKE SA CREATIONS DESPITE GOOD PRETENSIONS OF US MANAGERS. WITH HEIGHTENED EXPECTATIONS FROM NEW US ADMINISTRATION, CALL FOR DISINVESTMENT CAN BE EXPECTED TO GROW STRONGER AND ROLE OF US FIRMS HERE INCREASINGLY QUESTIONED. END SUMMARY.

PRO-INVESTMENT ATTITUDES;

5. ADVOCATES OF A HIGHER LEVEL OF FOREIGN INVESTMENT CAN BE FOUND AMONG OLDER WORKING BLACKS OFTEN SUPPORTING A NUMBER OF PEOPLE ON A THIN ECONOMIC MARGIN WITH A HEALTHY AWARENESS OF THE DIFFERENCE BETWEEN A WEEKLY PAYPACKET AND THE CONSEQUENCES OF UNEMPLOYMENT. SOME BLACK BUSINESSMEN, MINDFUL OF THEIR OWN INTEREST IN AN EXPANDING ECONOMY, SEE FOREIGN CAPITAL LIMITED OFFICIAL USE

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AS HELPING TO GENERATE SALES REVENUE. SOME PROMINENT FIGURES IN BLACK TRADE UNIONS LIKE LUCY MVEBELO, GENERAL SECRETARY OF NATIONAL UNION OF CLOTHING WORKERS, AND MOST HOMELAND LEADERS ARE STRONG INVESTMENT PROPONENTS. WELL-PUBLICIZED EFFORTS OF CHIEF SEBE TO ATTRACT PROMINENT US FIRMS TO THE CISKEI REVEAL HIS IDEA OF WHAT CONSTITUTES GOOD POLITICS IN HIS HOMELAND.

6. ADVOCATES OF VIRTUALLY UNLIMITED INFUSIONS OF FOREIGN CAPITAL USUALLY ADVANCE ONE OF THESE FACTORS:

--JOB CREATION, AN ARGUMENT STRENGTHENED BY THE CURRENT RECESSION ACCOMPANIED BY SEVERE BLACK UNEMPLOYMENT. THEY ALSO POINT OUT THAT BLACK OPPORTUNITIES TO MOVE UP INTO MORE SKILLED POSITIONS AND SECURE BETTER WAGES AND BENEFITS EXPAND IN PERIODS OF ECONOMIC GROWTH.

--TRICKLE-DOWN EFFECT, I.E. ANY IMPROVEMENT IN SA ECONOMY BETTERS THE LOT EVEN OF BLACK WORKERS AT THE BOTTOM; MOREOVER WITH PROSPERITY GOVERNMENT MAY FEEL SECURE ENOUGH TO RELAX

APARTHEID SYSTEM AND PERMIT BLACK-WHITE INCOME GAP TO NARROW.

--OPENING THE SYSTEM TO OUTSIDE INFLUENCES WHICH MAY SET STRONG ECONOMIC FORCES AGAINST INCOMPATIBLE POLITICAL POLICIES SUCH AS JOB RESERVATION AND INFLUX CONTROL. FOREIGN FIRMS ARE ALSO SUPPOSED TO TAKE LEAD IN BRINGING ENLIGHTENED LABOR AND WAGE PRACTICES, CARRYING BOTH MORAL AND ECONOMIC WEIGHT.

QUALIFIED SUPPORT OF FOREIGN INVESTMENT

7. THOSE BLACKS WHO JUSTIFY FOREIGN INVESTMENT PER SE PROBABLY FORM A MUCH SMALLER GROUP THAN THOSE, USUALLY THE BETTER EDUCATED AND POLITICALLY MORE SOPHISTICATED, WHO ACCEPT FACT THAT FOREIGN INVESTMENT IS NEEDED, BUT WHO SAY IT MUST COME UP TO CERTAIN STANDARDS OR ELSE IT IS UNWELCOME. SUPPORTERS OF THIS POSITION FEEL THAT IT CONTRIBUTES TO GOAL OF ORDERLY CHANGE. IT APPEARS TO BE A LESS DISRUPTIVE SOLUTION THAN A CALL FOR WITHDRAWAL OF INVESTMENT WHICH WOULD RESULT NOT ONLY LIMITED OFFICIAL USE

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IN DIRECT LOSS OF JOBS AND INCOME TO BLACKS BUT RIPPLE EFFECT THROUGH WHOLE ECONOMY BEARING HARDEST ON BLACKS.

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FM AMEMBASSY PRETORIA  
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CAPE TOWN FOR EMBASSY

8. PRIME TEST OF ACCEPTABILITY BY THIS SEGMENT OF BLACK  
OPINION IS THAT FOREIGN INVESTMENT SHOULD BRING ABOUT CLEAR,  
SPECIFIC AND IMMEDIATE CHANGE IN THE STATUS OF BLACKS, AS  
OPPOSED TO MORE GRADUAL, EVOLUTIONARY BENEFITS EXPECTED FROM  
UNCONDITIONAL SUPPORTERS OF INVESTMENT. THEY BELIEVE FOREIGN  
FIRMS HAVE MORE LEVERAGE WITH SAG OVER BLACK WORKING CONDITIONS  
THAN WORKERS THEMSELVES. FOREIGN INVESTORS ARE EXPECTED TO  
USE THEIR EXTRA INFLUENCE AND ECONOMIC POWER TO STEP UP  
PROMOTION AND TRAINING, TO UPGRADE WAGE SCALES, TO  
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FOSTER UNION ACTIVITY AND TO DESEGREGATE FACILITIES.

9. QUALIFIED SUPPORTERS OF FOREIGN CAPITAL WOULD REJECT  
PRODUCTS OR PROCESSES WHICH SEEM TO PERPETUATE OR STRENGTHEN  
ELEMENTS OF STATE APPARATUS ASSOCIATED WITH THEIR OWN  
SUBJUGATION, SUCH AS EQUIPMENT FOR POLICE, BANTU ADMINISTRATION  
OFFICIALS AND ARMED FORCES, PLUS ACTIVITIES IN NUCLEAR AREA.  
FRENCH SALE OF KOEBERG NUCLEAR POWER REACTORS IS VIEWED  
NEGATIVELY. SASOL II COAL GASIFICATION PLANT WHICH HAS A  
STRATEGIC RATIONALE FITS THIS CATEGORY BUT LEADING ROLE OF  
FLUOR IN CONSTRUCTION HAS BEEN OVERLOOKED. FACT THAT SASOL  
WILL ENABLE THOUSANDS OF BLACKS TO BE TRAINED AND EMPLOYED IN  
SKILLS HITHERTO CLOSED TO THEM UNDERSCORES COMPLEXITY OF  
JUDGING THESE MATTERS.

10. BLACKS ADVOCATING CONDITIONAL ACCEPTANCE OF INVESTMENT  
GENERALLY WOULD RULE OUT INVESTMENT IN HOMELANDS. A PROMINENT  
BLACK IN NEWSPAPER INDUSTRY RECENTLY CALLED HOMELAND INVESTMENT  
"MORALLY INDEFENSIBLE." FIVE OR SIX US AFFILIATES THAT HAVE  
SET UP SMALL OPERATIONS IN HOMELAND GROWTH AREAS HAVE LARGELY  
ESCAPED ATTENTION.

11. A FEW BLACKS WHO WOULD ACCEPT CONTINUED FOREIGN INVESTMENT  
IN QUALIFIED FORM WOULD ALSO ASSERT THERE SHOULD BE A CUTOFF OR  
STRICT LIMITATION ON NEW INVESTMENT IN SA. ALTHOUGH US LOAN  
CAPITAL IS IN FACT MORE IMPORATNT AT PRESENT TIME TO SA  
ECONOMY, ONLY MOST SOPHISTICATED CRITICS SEEM CONSCIOUS OF THIS.

12. POSITION OF CHIEF MINISTER BUTHELEZI OF KWAZULU ILLUSTRATES A DUALITY OF OUTLOOK ON THIS SUBJECT. WHEREAS IN EARLIER YEARS HE WAS AN UNABASHED PROPONENT OF INVESTMENT IN SA INCLUDING HOMELANDS, HE HAS RECENTLY EXPRESSED DOUBT WHETHER CAPITALISM AND FREE ENTERPRISE AS PRACTICED IN AFRICA CONTRIBUTED TOWARD RELIEF OF THE BLACK MAN'S SITUATION. MEANWHILE, HOWEVER, HE ACTIVELY SUPPORTS INVESTMENT IN KWAZULU ON A TRI-PARTITE BASIS WITH PRIVATE WHITE BUSINESSMEN AND GOVERNMENT AS PARTNERS EXPLAIN-LIMITED OFFICIAL USE

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ING, "MY PEOPLE ARE UNEMPLOYED...I CANNOT BE CALCULATING IN SPENDING THE LIVES AND MEAGER WELL BEING OF MY PEOPLE IN STRATEGIES WHICH ARE CARELESS OF HUMAN NEEDS."

THE CASE FOR DISINVESTMENT

13. A STAND FOR TOTAL DISINVESTMENT HAS BEEN TAKEN BY THE SOUTH AFRICAN STUDENTS ORGANIZATION (SASO) AND THE BLACK PEOPLE'S CONVENTION. IT IS ALSO VERY POPULAR AMONG STUDENTS AND OTHER YOUNG URBAN BLACKS. IT HAS SOME SUPPORT AMONG BLACK BUSINESSMEN. ONE BLACK BUSINESSMAN IN SOWETO SAID THAT AS MANY AS 50 PERCENT OF HIS COLLEAGUES SHARE THIS ATTITUDE. WHILE THIS CLAIM CAN'T BE CONFIRMED, EMBASSY HAS NOTED SEVERAL BLACK BUSINESSMEN AND OTHERS, INCLUDING SOME FAIRLY WELL SITUATED BLUE-COLLAR EMPLOYEES OF US AUTO PRODUCERS, WHO SAY THEY WOULD BE PREPARED TO SEE FOREIGN FIRMS BOW OUT.

14. DISINVESTMENT PROPONENTS ARE AWARE OF SOUTH AFRICA'S ECONOMIC VULNERABILITY. THEY SHARE OUTLOOK OF PRIME MINISTER VORSTER WHO IN HIS 1977 NEW YEAR'S MESSAGE DECLARED THAT EVENTS IN ANGOLA, SOUTH WEST AFRICA, RHODESIA AND THE TOWNSHIP VIOLENCE WITHIN SOUTH AFRICA "COMBINED TO CREATE UNCERTAINTY IN THE MINDS OF INVESTORS AND LOAN BANKS...THESE EVENTS HARMED SOUTH AFRICA IN NO UNCERTAIN MANNER. IF IT WERE NOT FOR THE BASIC SOUNDNESS OF OUR ECONOMY, IT IS DIFFICULT TO FORESEE HOW WE WOULD HAVE SURVIVED AT ALL."

15. THE DISINVESTMENT RATIONALE SEES FOREIGN INVESTMENT AS PROPPING UP SOUTH AFRICAN ECONOMY AND THUS ITS SOCIAL SYTEM, PERPETUATING APARTHEID IN ALL ITS ASPECTS. FOREIGN CAPITAL IS VIEWED AS AN INSURANCE POLICY FOR SOUTH AFRICA'S SURVIVAL, PROTECTING AGAINST MEANINGFUL INTERNATIONAL SANCTIONS, DESPITE REPEATED CENSURE BY INTERNATIONAL BODIES. WHEN WHITE SA LEADERS BOAST OVER THE WEST'S DEPENDENCE ON SOUTH AFRICA'S MINERALS, THIS CONFIRMS FEELING OF BLACKS THAT OTHER COUNTRIES PAY ONLY LIP SERVICE TO THEIR PLIGHT AND ARE IN REALITY BENDING THEIR ACTIONS TO SERVE UNDERLYING LIMITED OFFICIAL USE

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ECONOMIC AND STRATEGIC INTERESTS.

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CAPE TOWN FOR EMBASSY

16. RADICALIZED BLACKS, MOST OFTEN OF YOUNG, URBAN SECTOR,  
SEE FOREIGN INVESTORS AS DELIBERATELY BLIND TO INEQUITIES OF  
THE SOUTH AFRICAN SOCIAL SYSTEM AND INDEED PREPARED TO PROFIT  
BY IT THROUGH LOW WAGES AND SUBMISSIVE LABOR FORCE IT  
OFFERS. THIS ANTI-CAPITALIST REASONING CONTENTS THAT  
EVEN IF FOREIGN FIRMS OFFER MINOR REFORMS, IT IS ONLY  
TO CREATE A COMFORTABLE BLACK MIDDLE CLASS WHICH WILL  
PERPETUATE EXPLOITATION OF AFRICAN MASSES.

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17. DISINVESTMENT ADVOCATES HAVE A READY ANSWER TO ARGUMENTS THAT BLACKS WOULD BE FIRST TO SUFFER IF FOREIGN FIRMS WITHDREW. THEY MAINTAIN THAT BLACK MAN IN SOUTH AFRICA IS ALREADY SUFFERING AND NUMBER WHO MIGHT LOSE THEIR JOBS IS INSIGNIFICANT IN TERMS OF TOTAL BLACK WORK FORCE. THEY ASSERT THAT ACCEPTANCE OF FOREIGN CAPITAL ON A CONDITIONAL BASIS SIMPLY MEANS THAT, ONCE ESTABLISHED IN SA, MANAGEMENT WILL BE UNPREPARED TO VIOLATE LAW OR CUSTOM AND WILL ACCOMMODATE ITSELF TO APARTHEID.

18. THOSE BLACK BUSINESSMEN WHO ARE OPPOSED TO FOREIGN INVESTMENT RESENT RESTRICTIONS THAT CONFINE THEM TO A SMALL RETAIL OUTLET IN SOWETO AND FORBID MOVE TO DOWNTOWN JOHANNESBURG WHERE BLACK INCOMES ARE SPENT. ALTHOUGH FOREIGN CAPITAL IS CONCENTRATED IN INDUSTRY AND NOT IN RETAIL TRADE, BLACK BUSINESSMAN IS BITTER AT REALIZATION THAT ANY WHITE ENTREPRENEUR, WHETHER DOMESTIC OR FOREIGN, HAS FREEDOM TO COMPETE THAT HE DOES NOT ENJOY.

#### ROLE OF AMERICAN INVESTMENT

19. AMERICAN DIRECT INVESTMENT OF \$1.58 BILLION ACCOUNTS FOR ONLY 16 PERCENT OF DIRECT FOREIGN INVESTMENT IN SOUTH AFRICA AND 2 PERCENT OF EMPLOYMENT IN THIS COUNTRY. US INVESTMENT IS ABOUT THE SAME AS FRG INVESTMENT BUT MUCH BELOW THAT OF GREAT BRITAIN WHICH IS ESTIMATED AT 50 PERCENT OF TOTAL. JAPAN PROHIBITS DIRECT INVESTMENT IN SA BUT LICENSING, ASSEMBLY AND COMPONENT AGREEMENTS MAKE JAPANESE-BRANDED PRODUCTS COMMON.

20. DESPITE MODEST TOTAL, AMERICAN DIRECT INVESTMENT IS DIFFERENTIATED BECAUSE OF US LEADERSHIP IN THE WEST, OUR PREDOMINANT ECONOMIC STRENGTH AND INFLUENCE AND OUR PROFESSED BELIEF IN DEMOCRACY AND RACIAL EQUALITY. SENSE OF EXPECTATION FROM US IS REINFORCED BY ELECTION OF PRESIDENT CARTER, WHOSE INAUGURAL STATEMENT DECLARED THAT "WE WILL NOT BEHAVE IN FOREIGN PLACES AS TO VIOLATE OUR RULES AND STANDARDS AT HOME."

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#### BLACK ATTITUDES TOWARD AMERICAN FIRMS

21. AN EMBASSY OFFICER RECENTLY VISITED PORT ELIZABETH, A CENTER OF SA MOTOR INDUSTRY, WHERE GM, FORD, VOLKSWAGEN AND US TIRE FIRMS ARE AMONG MOST IMPORTANT EMPLOYERS. WHILE CONSPICUOUS PRESENCE OF FOREIGN SUBSIDIARIES NATURALLY TENDS TO SHARPEN BLACK ATTITUDES, US AFFILIATES FEEL THEY ARE DOING A GOOD JOB AND ARE WELL RESPECTED IN BLACK COMMUNITY. HOWEVER,

CONFIDENTIAL MEETINGS WITH MEMBERS OF ONE WORKERS' LIAISON COMMITTEE SUGGEST OTHERWISE.

2. MOST OF THESE WORKERS COMPLAINED OF INADEQUATE TRAINING, JOB RESERVATION, LACK OF UNION STATUS, ARBITRARY PROMOTIONS, ABUSE BY SA FOREMEN AND JOB INSECURITY (CAR PRODUCTION IS CURRENTLY ABOUT HALF OF PEAK LEVEL AND LAYOFFS AND SHORT TIME ARE COMMON). ALTHOUGH A NUMBER OF THESE ELECTED REPRESENTATIVES PRAISED SPECIFIC COMPANY POLICIES SUCH AS AN EQUAL-PAY-FOR-EQUAL-WORK PLAN, FREE TEXTBOOKS FOR THEIR CHILDREN AND OTHER BENEFITS, MOST LIAISON COMMITTEE MEMBERS AGREED THAT COMPANY ACTED BASICALLY LIKE A SOUTH AFRICAN CREATION DESPITE BEST INTENTIONS OF AMERICAN MANAGEMENT.

23. PRESIDENT AND SECRETARY OF PORT ELIZABETH BRANCH OF NATIONAL AFRICAN CHAMBER OF COMMERCE, BOTH SHOPKEEPERS IN NEW BRIGHTON TOWNSHIP, SAID LARGE US PRESENCE WAS ALMOST IRRELEVANT TO THEM BECAUSE 86 PERCENT OF WAGES EARNED BY BLACKS WERE SPENT IN WHITE AREAS. BOTH THOUGHT US COMPANIES HAD AND WERE NOT USING ABUNDANT LEVERAGE TO IMMEDIATELY DESEGREGATE AND INSTITUTE FUNDAMENTAL REFORMS IN THEIR PLANTS WITHOUT FEAR OF GOVT REPRISAL. LIKEWISE MOST MEMBERS OF NEIGHBORING COLORED TOWNSHIP ALSO FELT THAT US FIRMS WERE NOT DOING ENOUGH. WHEN ONE WORKER DEFENDED US FIRMS, A HEATED ARGUMENT ENSUED WITH HER COLORED AND BLACK FRIENDS. OTHER COMMUNITY FIGURES NOT EMPLOYED BY MOTOR COMPANIES ALSO LEANED TOWARD WITHDRAWAL. CONCEDED THAT IMMEDIATE CONSEQUENCE WOULD BE LOSS OF US MARKET SHARE TO FOREIGN OR LOCAL LIMITED OFFICIAL USE

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COMPETITORS, MAIN POINT, THEY CLAIMED, WAS ONE OF MORALITY. IN WORDS OF A STUDENT ACTIVIST, "JUST PULL OUT AND LET US DEAL WITH THE JAPANESE."

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CAPE TOWN FOR EMBASSY

CONCLUSIONS

24. IN RECENT PAST, FOREIGN CAPITAL, IN PARTICULAR AMERICAN CAPITAL, COULD DEFEND ITS PRESENCE IN SA BY CLAIMING IT FOLLOWED PROGRESSIVE EMPLOYMENT PRACTICES THAT SET A STANDARD FOR OTHERS. IN PRE-SOWETO PERIOD WHEN MOST SA BLACKS COULD VISUALIZE ONLY A GRADUAL PROCESS OF IMPROVEMENT IN THEIR STATUS, THIS ARGUMENT CARRIED WEIGHT. ADVENT OF BLACK CONSCIOUSNESS, ESPECIALLY AMONG URBANIZED YOUNG AND DISSATISFACTION WITH PACE OF EVENTS HAS BROUGHT A SHIFT IN LIMITED OFFICIAL USE

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ATTITUDES. MEASURES WHICH ONLY RELIEVE HARDSHIPS LIKE MARGINAL RAISES, SUBSIDIZED MEALS, SCHOOL FEE ALLOWANCES, AND PERSONAL OANS ARE SEEN AS PANACEAS WHICH EVADE QUESTION OF BASIC RIGHTS OF WORKERS. MOREOVER BENEVOLENCE TOWARD WORKERS WHICH MAY IMPRESS STOCKHOLDERS AT HOME FAILS TO GET AT ISSUE OF WHETHER PRESENCE OF FOREIGN FIRMS REPRESENTS COLLUSION WITH AND EFFORT TO PROFIT FROM APARTHEID.

25. EVEN IF FOREIGN FIRMS ONCE ENJOYED IMAGE AS MORE FORWARD-LOOKING EMPLOYERS, TODAY DOMESTIC SA PRIVATE SECTOR, WORRIED OVER INSTABILITY AND UNREST AND IMPATIENT WITH GOVT INACTION, HAS MADE START WITH BLACK HOUSING SCHEMES, ADVANCED TRAINING, UNION RECOGNITION AND EVEN ELECTRIFICATION OF SOWETO. FOREIGN FIRMS, ESPECIALLY AUTO INDUSTRY, ARE SUFFERING FROM RECESSION AND NOT DISPOSED TO ASSUME LEADERSHIP WITH RESPECT TO LABOR PRACTICES.

26. FACT THAT EMPLOYEES OF US FIRMS IN PORT ELIZABETH SEEM DISAFFECTED RAISES QUESTION OF WHETHER, AS POLARIZATION OF SA SOCIETY ADVANCES, EVEN PROGRESSIVE-MINDED US EXECUTIVES CAN HOPE TO ACHIEVE SUPPORT AMONG EMPLOYEES AND IN COMMUNITY, ESPECIALLY WHEN SEPARATED FROM WORKERS BY A LAYER OF WHITE SA MIDDLE MANAGERS.

27. OUR IMPRESSION IS THAT BLACKS WHO REFLECT ON FOREIGN INVESTMENT AS AN ISSUE ARE NOW ROUGHLY DIVIDED BETWEEN THOSE FAVORING DISINVESTMENT AND THOSE WHO WOULD LIKE TO SEE IT REMAIN IN INSTANCES WHERE IT CONTRIBUTES TO BLACK ASPIRATIONS DIRECTLY AND IN THE NEAR TERM. A SMALLER SEGMENT OF BLACK OPINION CONTINUES TO FAVOR INVESTMENT ON ANY BASIS FOR THE NEEDED INCOME IT REPRESENTS AND BECAUSE IT IS SEEN AS CONTRIBUTING IN AN EVOLUTIONARY WAY TO IMPROVING STATUS OF BLACKS. SHOULD BE RE-EMPHASIZED THAT NUMBER OF BLACKS HOLDING WELL-DEFINED OPINIONS ON THIS SUBJECT IS STILL SMALL.

28. WITH RADICALIZATION OF BLACK ATTITUDES, TENDENCY TO LIMITED OFFICIAL USE

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CALL FOR DISINVESTMENT GROWS STRONGER. ADDED TO HEIGHTENED EXPECTATIONS FROM NEW US ADMINISTRATION ON SOUTH AFRICAN ISSUES, MUST BE EXPECTED THAT ROLE OF AMERICAN FIRMS HERE WILL BECOME INCREASINGLY CONTROVERSIAL AND RATIONALE FOR CONTINUED PRESENCE WILL SEEM LESS AND LESS PERSUASIVE TO GROWING NUMBER OF BLACKS.BOWDLER

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## Message Attributes

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